



City Manager's Office
City of Frisco, Texas

Memorandum

To: Frisco Community Development Corporation Board of Directors

Cc: George A. Purefoy, City Manager

From: Ron Patterson, Assistant City Manager

Date: 04/11/2010

Agenda Caption: Consider and act upon adoption of Amendment Number One (establishing a Guaranteed Maximum Price (GMP)) to the Construction Manager at Risk Agreement by and between the City of Frisco and Balfour-Beatty Construction, LLC for the renovation of the CDC Building.

Action Requested:

Approval of Amendment Number One to the agreement for renovation work on the building owned by the Frisco Community Development Corporation ("FCDC") located at 8000 Dallas Parkway to establish and accept the Guarantee Maximum Price ("GMP").

Background Information:

The Board approved a contract with Balfour Beatty for Construction Manager at Risk services at its February 10, 2010 meeting to construct the improvements for an adaptive reuse of the facility the FCDC owns at 8000 Dallas Parkway generally providing a new façade on the 50,000sf space, a lobby/ticketing area, main hallway with restrooms and vending, finish out for use by Sci-Tech Discovery Center as well as a "Black-Box" theater. The possible train museum use has been removed at this time due to logistical issues faced by the museum.

The next step in the CMAR process is to accept a GMP for the project which will establish the guaranteed maximum price to deliver the described scope of the project through an amendment to the original contract. The attached AIA Document A121 CMc – 2003 Amendment No. 1 represents the GMP total at two

million three hundred fifty-six thousand seven hundred fifteen dollars (\$2,356,715.00).

Board Review/Citizen Input:

NA

Alternatives:

- The Board may not approve the GMP/Amendment No. 1
- The Board may change the scope of the project and direct staff to revised the GMP with the contractor
- Approve the GMP/Amendment No.1

Financial Considerations:

The Board has already approved \$2,000,000 in funding for this project at a previous meeting. Staff has approached the City Council and requested funding in the amount of \$1,000,000 from previously approved and sold General Obligation bonds that are designated for construction of arts and science facilities. Our bond legal counsel has stated that the use of the bond funds for this project is allowable.

In order to facilitate the use of the bond funds staff is working with legal counsel to develop the required tools necessary to make this happen. Currently, there are discussions that we will more than likely be required to create a "condominium" arrangement where a portion of the building containing the "improvements" that are being funded by the General Obligation bonds will be purchased by the City and hold it in the condominium. At this point we are examining setting aside the black box theater as the portion of the condominium to be purchased through this process. At the end of the day the City must own "improvements" equal to the amount it pays for with the bonds and this process will allow that to occur.

The FCDC will be required to approve and pay the total amount of the GMP as is presented in this agenda item with the City purchasing the required portion of the condominium with the "improvements" at or near the end of the project construction.

NOTE: As a side note I would like to point out that the original project budget estimate was simply that an estimate which was based on a third party consultant who provided an estimate of cost for development of the space as a generic "exhibit hall" use. I just wanted you to be aware that the architect, nor the contractor, missed the mark.

Legal Review:

This has been reviewed by both Mr. Roeder, Mr. Hullett, as well as our bond counsel.

Supporting Documents:

AIA Document A121 CMc – 2003, Amendment No. 1

Staff Recommendation:

Staff recommends approval of Amendment No. 1 as submitted.